

January 1, 2006

Dear HERO Participant,

Congratulations on your decision to participate in the HERO Program. Whether your home will be a newly built home or an improved existing home, your participation in the HERO Program will benefit you, in saved utility bills and greater comfort, long after any rebate that you receive for making your home more energy efficient is gone.

Rules, guidelines, and procedures for the HERO Program are subject to change without notice. The guarantee that your home will be processed under the program only occurs once the Louisiana Department of Natural Resources receives a preliminary rating for your home, as submitted by a home energy rater that is listed on our website at the time of this preliminary. Your rebate will be based upon the guidelines that are in place at the time that the Louisiana Department of Natural Resources receives your preliminary rating.

In order for a **New Home** to participate in the HERO Program, the home plans must be rated by the Home Energy Rater of your choice during the planning stage before construction begins. This preliminary rating from plans **MUST** be conducted, at the very latest, prior to the slab being poured. This preliminary rating from plans **MUST** then be submitted to the Louisiana Department of Natural Resources by the Home Energy Rater. New Homes that do not meet this requirement are disqualified from participation in the HERO Program. Rebates for New Homes can only go to the homeowner of a custom built home, ie...the property owner at the time of the preliminary rating who will be the owner occupant at the completion of construction. The preliminary rating documentation is non transferable and can not be applied for by speculative builders. A new home qualifies for a rebate under the HERO Program by being built 17% more efficient than a home built to the 2004 International Energy Conservation Code however, in order for a new home to qualify for the maximum \$2,000 rebate, the home must meet all of the new home mandatory requirements listed below.

- Minimum 13 SEER HVAC
- If the mechanical system uses rigid ducts - they must be mastic sealed. If the mechanical system uses flex ducts - they must also be rigidly secured with as straight as possible runs with no more than 45 degree bends, except at registers
- If the mechanical system has a chase - the chase must be dry walled, floated, and if it is on an exterior wall - insulated
- If the home has any knee wall construction that uses a dry blown insulation material - the dry blown insulation material must have some type of sheathing material to hold the insulation in place
- If the home has a fireplace that penetrates the envelope - the chimney opening in the attic must be sealed and insulated
- If the home has recessed lighting fixtures - the fixtures must be airtight
- If the attic access door is inside the envelope - the access must be sealed and insulated
- The home owner must provide a dated copy of the original slab pour receipt to the energy rater at the time of the final rating

In order for **Existing Homes** to participate in the HERO Program, a preliminary rating of the existing home, as it is before improvements, **MUST** be conducted by the Home Energy Rater of your choice prior to any energy efficient improvements being made to the existing home. This preliminary rating of the existing home, as it is before improvements, **MUST** then be submitted to the Louisiana Department of Natural Resources by the Home Energy Rater. Existing Homes that do not meet this requirement are disqualified from participation in the HERO Program. An existing home qualifies for the HERO Program by being improved by 30% over the home as it was before the improvements were made however, if new HVAC equipment is installed as part of the improvements, in order for an existing home to qualify for the maximum \$2,000 rebate, the home must also meet the following requirements.

- If any new HVAC equipment is installed, the HVAC equipment **MUST** be a minimum SEER 13 (*this is a mandatory requirement - if the equipment efficiency is less than SEER13 - the home does not qualify for HERO*)
- If the improvements to the home include a new HVAC system, the improvements made to the home must also obtain at least 2 Upgrade Points from the possible 12 Voluntary Items listed below. Obtaining any 6 Upgrade Points from the possible 12 Voluntary Items will qualify the home owner for the maximum \$2,000 rebate. If the improvements do not include any new HVAC equipment, none of the 12 Voluntary Upgrades are mandated and all that is required is the 30% increase in efficiency

Voluntary Items (*a detailed list will be provided to you by your energy rater*)

1. New Duct System (6 Upgrade Points)
2. Seal and Insulate Chase (3 Upgrade Points)
3. Insulate Knee Walls (6 Upgrade Points)
4. Seal and Insulate Fire Place Opening in attic (3 Upgrade Points)
5. Air Tight Recessed Lighting Fixtures (3 Upgrade Points)
6. Seal and Insulate Attic Access Door (3 Upgrade Points)
7. Increase Attic Insulation (2 Upgrade Points for each additional R5)
8. Increase Wall Insulation (2 Upgrade Points for each additional R5)
9. Increase Heating System Efficiency (4 Upgrade Points)
10. Increase Water Heater Efficiency (3 Upgrade Points)
11. Window Upgrade (2 Upgrade Points for every 3 additional windows)
12. Upgrade Package - Programable Thermostat, R8 Water Heater Jacket, and Occupancy Sensors (2 Upgrade Points)

Note : Refer to detailed list in order to meet specific criteria for individual Voluntary Items

- The homeowner must provide valid receipts ,for all of the energy improvements, to the energy rater at the time of the final rating

If your home is newly constructed - your rebate will be determined by multiplying your home energy rating's energy efficiency premium by 20%. Your rebate will be the result of this calculation, up to a maximum of \$2,000. If your home is a pre-existing home - your rebate will be determined by either multiplying your home energy rating's energy efficiency premium by 20%, or by multiplying the cost of the energy efficiency improvements you make to the home by 20% - whichever is the lesser of the two. Your rebate will be the result of this calculation, up to a maximum of \$2,000. Your cash rebate amount currently will be taxable, though we have applied to the IRS for a declaration that this award be nontaxable. Should the IRS reverse their decision on taxing this cash rebate, you will not receive a 1099 for this rebate amount in the upcoming tax season. Please save this notification with your tax information for the upcoming tax season.

If you have any questions, please call us at (225) 342-1399 or (800) 836-9589. Please visit our web site, for an explanation of the HERO Program, and step by step instructions on how to participate in the program, at :

<http://dnr.louisiana.gov/sec/execdiv/techasmt/programs/residential/hero/instructions.htm>

Once your home energy rating has been submitted to the Department of Natural Resources by your rater, you can monitor the status of your application through the HERO system by going to :

http://sonris-www.dnr.state.la.us/www_root/sonris_portal_1.htm

clicking on the lighthouse at the top of the screen, and then clicking on "Homeowner/Builder Inquiry" and entering your social security number and last name. Please take advantage of this feature to keep yourself abreast of the status of your application through the system. By participating in this program you consent to a possible follow up rating audit within a three year period from the time of the rebate check date. You will be notified in advance, to schedule a time at your convenience, should your home be randomly selected for such an audit.

Thanks,

Buddy Justice
Environmental Consultant
Energy Rated Homes of Louisiana
Louisiana Department of Natural Resources

HBJ/dkb

Enclosure

(Homeowner Signature)

(Date)

(Rated Property Address)

LA
(City,)

(Zip)